

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

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JAN 10 2003

DIV. OF OIL, GAS & MINING

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 01/2002 To (mo./yr.) 01/2003
2. DOGM File Number (Mine No): 1370/000 040
3. Mine Name: Velvet
4. Mineral(s) Mined (or permitted to mine): _____
5. Type of mine ☐ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected):
____ 1/4, ____ 1/4, ____ 1/4, Section 3, Township 31S, Range 25E
____ 1/4, ____ 1/4, ____ 1/4, Section _____, Township _____, Range _____
____ 1/4, ____ 1/4, ____ 1/4, Section _____, Township _____, Range _____
7. Name of Operator or Company: U.S. Energy Corp
8. Permanent Street Address: 877 North 8th West
City, State, Zip: Riverton, WY 82501
Phone: (307) 856-9271 Fax: (307) 857-3050
9. Company Representative (or designated operator):
Name: Daniel Arima
Title: Environmental Coordinator
Business Address: 877 North 8th West
City, State, Zip: Riverton, WY 82501
Phone: (307) 856-9271 Fax: (307) 857-3050
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? 1984
3. If yes - how much ore or mineral was mined? _____

Reviewed
12/10/03
[Signature]

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

5. How much **additional acreage** was disturbed during the past year? 0

6. How much acreage was **reclaimed** during the past year? 0

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

8. What is the **total** disturbed acreage of entire project at years end? 21.9

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

No plans for any mining during the upcoming year. Final reclamation plans being developed for the site.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2 and .3

1. The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Daniel Ariana

Title of Operator:

Environmental Coordinator

Signature of Operator:

Daniel Ariana

Date:

1/6/03



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877 N. 8th W.
Riverton, WY 82501
phone (307) 856-9271
fax (307) 857-3050

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s/037/090

January 6, 2003

Mr. D. Wayne Hedberg
Permit Supervisor
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Annual Reports for Tony M/Lucky Strike, Frank M, Wood Complex and Velvet Mine for the year 2002.

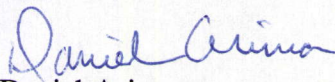
Dear Mr. Hedberg:

Please find enclosed the completed annual reports for the Tony M/Lucky Strike Mine No. M170001, Frank M. Mine No. S170017, Wood Complex, Mine No. S370090 and Velvet Mine No. M370040.

The lode claims associated with the Wood Complex Mine have been transferred back to Mr. A.E. Dearth of 54 South Flora Way; Golden, CO 80401. There are definitely no plans to begin mining at this facility. Please forward the necessary paperwork to terminate the Permit.

Please contact me if you have any questions in regards to these submittals.

Yours truly,
Plateau Resources, Ltd.


Daniel Arima
Environmental Coordinator

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